

The Education Coalition

Working together to support and
improve California's public schools

February 13, 2019

Memorandum

TO: Education Policymakers

FM: The Education Coalition

RE: K-12 Education Budget Position Paper

**Association of California School
Administrators (ACSA)** *representing
more than 16,000 school administrators*

**California Association of School
Business Officials (CASBO)**
*representing more than 24,000 school business
officials*

**California County
Superintendents Educational
Services Association (CCSESA)**
*representing all 58 county superintendents
throughout California*

**California Federation of
Teachers (CFT-AFL-CIO)**
*representing nearly 120,000 education
employees*

**California School Boards
Association (CSBA)**
*representing nearly 1,000 K-12 school districts and
county offices of education throughout California*

**California School Employees
Association (CSEA)**
*representing more than 230,000 classified
school employees*

California State PTA
*representing more than one million parents,
teachers, and students in California*

**California Teachers Association
(CTA)**
representing over 325,000 educators

**Service Employees International
Union (SEIU)**
*representing more than 50,000 school employees
in California*

**Legislative Consultant:
Dale Shimasaki
916.441.3909**

The Education Coalition is comprised of the nine statewide K-12 education associations to provide consensus positions protecting the integrity of Proposition 98 and funding in the budget for K-12 public education.

The nine statewide organizations include:

- Association of California School Administrators [ACSA]
- California Association of School Business Officials [CASBO]
- California County Superintendents Educational Services Association [CCSESA]
- California Federation of Teachers [CFT]
- California School Boards Association [CSBA]
- California School Employees Association [CSEA]
- California State Parent Teachers Association [PTA]
- California Teachers Association [CTA]
- Service Employees International Union [SEIU]

Each year, the Education Coalition issues a paper and meets with members of the budget and policy committees to share their consensus position on the implementation of Proposition 98 and the state budget. These papers are distributed after the Governor's Budget is introduced in January and after the May Revision to the State Budget. In addition, the Education Coalition will issue papers on fiscal and policy issues that emerge during the year.

Attached is the Education Coalition's annual paper commenting on the Governor's Budget Proposal. For further information contact Dale Shimasaki, the Consultant to the Education Coalition at 916-441-3909.

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Education Coalition Supports the K-12 Proposition 98 Budget

The Education Coalition supports the framework of the Governor's 2019-20 Budget proposal to provide \$80.7 billion in K-14 funding, including an additional \$2.8 billion above the 2018 Budget Act, as required by the Proposition 98 minimum guarantee. While this funding is greatly appreciated and a step in the right direction, this still does not solve the problem of our state's historically underfunded public education system and does not replace the billions of dollars lost during the Great Recession of 2008.

The 2018 Education Week's Quality Counts survey showed California ranked 46th in adjusted per-pupil expenditures for K-12 education. According to the survey, California's per-student spending of \$9,417 is \$3,109 below the national average of \$12,526. Further, California is \$7,953 [45%] below the average spending of the top ten states for K-12 education spending. Given that one of the goals of the constitutional initiative is to narrow the gap in per pupil funding to the average of the top ten states, California still has a long way to go in school finance.

Proposals Supported by the Education Coalition

The Education Coalition supports the following Governor's budget proposals:

3.46% COLA.

A 3.46% cost of living adjustment is applied to the following programs:

- Local Control Funding Formula [LCFF]. \$2 billion in ongoing Proposition 98 funds for the LCFF above the implementation targets reached in the 2018 Budget Act.
- Categorical Programs. \$187 million for the following categorical education programs: Special Education, Child Nutrition, Foster Youth, American Indian Education Centers and the American Indian Early Childhood Education Program
- County Offices of Education. \$9 million for the county offices of education.

California State Teachers' Retirement System [CalSTRS] Employer Contribution Rate.

- The budget provides \$3 billion in one-time non-Proposition 98 funds to CalSTRS to reduce long-term liabilities for K-14 employers. It also reduces the employer contribution rate one percentage point below the scheduled contribution rate increases as well as reduces the employer contribution rate for the duration of the full-funding plan created by AB 1469 (2014 Bonta).
- California's schools will continue to face fiscal pressures from increased pension costs in both CalSTRS and California Public Employee Retirement System [CalPERS]. Retirement security is an essential element schools require to recruit and retain qualified certificated and classified staff. We encourage additional support to assist public schools in meeting their fiscal needs in regard to CalSTRS and CalPERS

EDUCATION COALITION POSITION PAPER: 2018-19 STATE BUDGET

Statewide System of Support.

The budget provides \$20.2 million to provide assistance to schools in need of support to address the persistent low achievement of underperforming students.

Charter School Accountability.

The Education Coalition is supportive of the Administration's commitment to implement statewide accountability policies that "hold all school districts, charter schools, and county office of education accountable for operational transparency and community engagement."¹

School Facilities.

- We appreciate the Administration's proposal to allocate \$1.5 billion of available Proposition 51 [2016] bond funds to support school construction, modernization, retrofitting, career technical education, and charter school facility projects. We also support the \$1.2 million in bond funds and School Site Utilization Funds for the Office of Public School Construction to hire staff to support increased workload.
- However, we encourage the Administration to also fund the remaining workload list this budget year. The longer we wait to issue the available state bonds, the state and local communities lose purchasing power as a result of rising construction and borrowing costs.

Dashboard.

We support \$350,000 in one-time Proposition 98 funding to merge the California School Dashboard, the LCAP electronic template, and other school site and school district reporting tools (including the School Accountability Report Card).

Instructional Quality Commission.

We support \$279,000 for the development of model curriculum and subject matter frameworks.

Concerns with Maintaining the Integrity of Proposition 98

Test 3B Cut.

We continue to oppose the precedent that disproportionately cuts General Fund support for schools and reduces the Proposition 98 minimum guarantee pursuant to trailer bill language adopted in the budget two years ago. Proposition 98 was designed to establish a **floor**, not a ceiling for school funding. The 2017-18 trailer bill contained language to make a predetermined cut to education if statutory Test 3B is operative through the 2020-21 year, which undermines the integrity of Proposition 98. Test 3B was established to ensure reductions in General Fund support for schools and community colleges are no larger than reductions in General Fund support for non-Proposition 98 programs. The statute arbitrarily and prematurely pre-approved cuts to the K-14 education budget without justifications that the cuts were needed in future years. This pre-emptive action took place with no certainty that there will be a budget deficit or that revenues would be insufficient to fund the Proposition 98 minimum guarantee in the out years. We urge the repeal of the Test 3B cut specified in Education Code Section 41203.5. The impact of this provision results in a \$270 million reduction to the Proposition 98 guarantee for the 2018-19 year.

¹ See page 38 of Governor's Budget Summary

**EDUCATION COALITION POSITION PAPER:
2018-19 STATE BUDGET**

Open Issues

Although the Education Coalition is generally supportive of the Governor's Budget as it relates to Education, there are issues of interest that require legislative attention:

Special Education Proposal Needs Clarification.

The budget proposes \$390 million in ongoing Proposition 98 funds and \$186 million in one-time Proposition 98 funds to expand special education services for local education agencies with high percentages of both students with disabilities and unduplicated students who are low-income, foster care youth, and English learners. While we support the increased funding for special education, additional information is needed to determine how these funds should be best utilized by local educational agencies and what the distribution method should be.

Early Education.

The Education Coalition will submit a separate position paper on the Governor's Early Education proposals after our organizations have had an opportunity to review trailer bill language.

School Transportation COLA.

The Education Coalition supports providing an augmentation of \$17.0 million for a 3.46% COLA to the home-to-school transportation program.